



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
MICHIGAN BROADBAND DEVELOPMENT AUTHORITY
DEPARTMENT OF LABOR & ECONOMIC GROWTH
DAVID C. HOLLISTER, DIRECTOR

JAMES W. BUTLER, III
VICE PRESIDENT

December 22, 2004

The Honorable Marc Shulman
State Representative
State Capitol
P.O. Box 30014
Lansing, Michigan 48909-7514

The Honorable Valde Garcia
State Senator
State Capitol
P.O. Box 30036
Lansing, Michigan 48909-7536

Dear Representative Shulman and Senator Garcia:

Per Public Act 354 of 2004, Sec. 364, enclosed please find the required report indicating the administrative costs allocated for the Michigan Broadband Development Authority. The costs include all staffing and other related costs associated with contracts. The report also includes all reimbursements to the Michigan State Housing Development Authority through December 31, 2004.

If you have any questions, please contact either one of us.

Sincerely,

James Butler, III
Vice President, MBDA

Allan Pohl, Director
DLEG, Finance and Administrative Services

MICHIGAN BROADBAND DEVELOPMENT AUTHORITYReport Of Administrative Costs - Cash Basis
Per Public Act 354 Of 2004, Sec 364

	<u>Actual</u> <u>FYE 09/04</u>	<u>Budgeted</u> <u>FYE 09/05</u>	
OPERATING EXPENSES:			
Salaries and wages	462,122	703,100	(1)
Employee benefits	324,242	235,600	(1)
Contractual employee compensation	456,836	415,000	(2)
Contractual services	1,806,754	1,640,100	
Interest on bonds	300,000	120,000	
Administrative and general	225,898	369,857	
Total Operating Expenses	3,575,852	3,483,657	

Schedule 1:

PUBLIC ACT 354 OF 2004, Sec.107

Civil Service Employees		
Director of Legal	143,400	
Director of Finance	134,500	
Director of Marketing	134,500	
Director of Accounting	108,500	
Director of Projects	108,500	
Director of Community	92,300	
Executive Asst 13	71,100	
Executive Asst 11	61,900	
Accountant	54,000	
Intern	30,000	
Civil Service Compensation	938,700	(1)
Administration	357,900	
Gross Appropriation - Per Public Act 354 of 2004	1,296,600	

Schedule 2:

CONTRACTUAL EMPLOYEE COMPENSATION:

Vice President	155,000	
Chief Operating Officer	150,000	
Marketing Director	110,000	
Total	415,000	(2)

Schedule 3:

PAYMENTS TO MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (MSHDA):

Interest			
Feb-03	200,000		
Feb-04	300,000		
Sub-Total		500,000	
Rent/Other Costs			
Rent	118,900		
Copier	3,220		
Misc	275		
Sub- Total		122,395	
Total Payments to MSHDA		622,395	Through 12/31/04



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